

RECORDATION NO. 20636-1, 9, 1, 127
FILED
OCT 31 '97 12-00PM

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ELIAS C. ALVORD (1942)
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OF COUNSEL
URBAN A. LESTER

October 31, 1997

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are three (3) copies of the following secondary documents: Supplement No. 3 to Security Agreement-Chattel Mortgage, dated as of October 31, 1997, and two separate Bills of Sale and Assignment and Assumption Agreements, all dated as of October 31, 1997.

The enclosed documents relate to the Security Agreement previously filed with the Board under Recordation Number 20636.

The names and addresses of the parties to the enclosed documents are:

Supplement No. 3
to
Security Agreement-Chattel Mortgage

Debtor: Shippers First LLC
980 Kelly Johnson Drive
Las Vegas, NV 89119

Secured Party: The Industrial Bank of Japan Trust Company
1251 Avenue of the Americas
New York, NY 10020

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SURFACE TRANSPORTATION
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Counterpart -

Mr. Vernon A. Williams
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Also enclosed is a check in the amount of \$120.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return two stamped copies of the enclosed documents to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W. Alvord", with a stylized flourish at the end.

Robert W. Alvord

RWA/bg
Enclosures

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With respect to the 14 railcars being ADDED to the Security Agreement, the parties are:

Bill of Sale
and
Assignment and Assumption Agreement

Transferor/
Assignor: ACF Industries, Incorporated
620 North Second Street
St. Charles, MO 63301

Transferee/
Assignee: Shippers First LLC
980 Kelly Johnson Drive
Las Vegas, NV 89119

With respect to the 59 railcars being RELEASED from the Security Agreement, the parties are:

Transferor/
Assignor: Shippers First LLC
980 Kelly Johnson Drive
Las Vegas, NV 89119

Transferee/
Assignee: ACF Industries, Incorporated
620 North Second Street
St. Charles, MO 63301

A description of the railroad equipment covered by the enclosed documents is:

fifty-nine (59) ACFX railcars identified on Schedule A-1 attached to the Supplement and fourteen (14) SHPX railcars identified on Schedule A-2 to the Supplement.

OCT 31 '97

12-00PM

ASSIGNMENT AND ASSUMPTION AGREEMENT, dated as of October 31, 1997, between ACF INDUSTRIES, INCORPORATED, a New Jersey corporation (the "Transferor"), and SHIPPERS FIRST LLC, a Delaware limited liability company (the "Transferee"). Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to them in the Asset Transfer Agreement (as defined below).

WHEREAS: the Transferee and the Transferor have entered into an Asset Transfer Agreement dated as of the date hereof (the "Asset Transfer Agreement"), in connection with the sale of, among other things, the special purpose covered hopper and tank railcars described on Schedule 1 (the "Equipment"), subject to the Leases (as defined below), from the Transferor to the Transferee for consideration in the amount and on the terms and conditions provided in the Asset Transfer Agreement; and

WHEREAS: the parties now desire to carry out the intent and purpose of the Asset Transfer Agreement by, among other things, the parties' execution and delivery of this instrument evidencing the assignment by the Transferor of all of its rights, title and interest in and to the Leases (as defined below) to the extent they relate to the Equipment to the Transferee and the assumption by the Transferee of all of the Transferor's obligations under the Leases to the same extent.

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. For purposes of this Agreement, "Leases" means all current leases of any one or more railcars included in the Equipment and all other contracts for use of any one or more railcars included in the Equipment more specifically described on Schedule 1, including, without limitation, all extensions, renewals, supplements and modifications of any of the foregoing. If any of the Leases (including, without limitation, any master lease) shall include both Equipment and railcars not part of the Equipment, then such Leases shall be subject to this Agreement only to the extent they cover Equipment; and for purposes of this Agreement, the term Lease shall mean a lease (including without limitation, the provisions of any master lease) only insofar as such lease applies to Equipment subject to this Agreement.

2. Effective as of the date hereof, the Transferor hereby sells, transfers, assigns, conveys, grants and sets over to the Transferee, its successors and assigns forever, all of the Transferor's rights, title and interest as of such date in and to the Leases, as fully and entirely as the same would have been held and enjoyed by the Transferor as if this assignment had not been made.

3. Effective as of the date hereof, the Transferee accepts, assumes, takes over and succeeds to all of the Transferor's rights, title and interest as of such date in and to the Leases, and the Transferee hereby covenants and agrees to discharge, perform and comply with, and to be bound by, all the terms, conditions, provisions, obligations, covenants and duties of the Transferor under the Leases (but only to the extent it relates to the period from and after the date hereof), as if the Transferee were an original party thereto.

4. The Transferor hereby covenants and agrees that, at any time and from time to time after the date hereof, at the request and expense of the Transferee, the Transferor will promptly and duly execute and deliver, or cause to be executed and delivered, to the Transferee all such further instruments

and take all such further action as may be reasonably requested by the Transferee to more effectively sell, transfer, assign, convey, grant and set over the Leases to the Transferee.

5. The Transferee hereby covenants and agrees that, at the request and expense of the Transferor, it will hereafter execute any further assumptions or instruments of transfer or conveyance as may be reasonably requested by the Transferor to assume the Leases or to release the Transferor and its affiliates from their obligations under or on account of the Leases so long as such release will not prejudice the Transferee's rights, title and interest in and to the Leases.

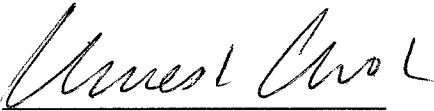
6. This instrument shall be binding upon the Transferee and the Transferor, their respective successors and assigns, for the use and purposes set forth and referred to herein, effective as of the date hereof.

7. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.


IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Assumption Agreement to be executed in one or more counterparts by their duly authorized officers as of the first date written above.

SHIPPERS FIRST LLC

By: ACF Industries, Incorporated,
Managing Member

By: 
Name: Umesh Choksi
Title: Treasurer

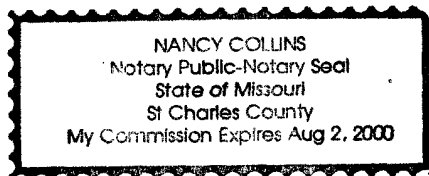
ACF INDUSTRIES, INCORPORATED

By: 
Name: Umesh Choksi
Title: Treasurer

[Signature Page to Assignment and Assumption Agreement]

STATE OF MISSOURI)
) ss.:
COUNTY OF ST. CHARLES)

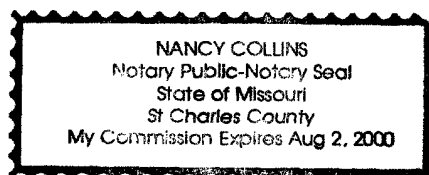
On this 29th day of October, 1997, before me, personally appeared Umesh Choksi to me personally known, who being by me duly sworn, says that he resides at Chesterfield, Missouri and is Treasurer of ACF Industries, Incorporated, that said instrument was signed on the date hereof on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Nancy Collins
Notary Public

STATE OF MISSOURI)
) ss.:
COUNTY OF ST. CHARLES)

On this 25th day of Oct 1997 ~~July, 1996~~, before me, personally appeared Umesh Choksi to me personally known, who being by me duly sworn, says that he resides at Chesterfield, Missouri and is Treasurer of ACF Industries, Incorporated, the managing member of Shippers First LLC, that said instrument was signed on the date hereof on behalf of said limited liability company by authority of its managing member; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said limited liability company.



Nancy Collins
Notary Public

SCHEDULE 1

DESCRIPTION OF EQUIPMENT

Each of the special purpose covered hopper and tank railcars with the reporting marks and road numbers and Association of American Railroads designation numbers set forth on Annex A hereto.

DESCRIPTION OF LEASES

Each of the user leases or lease schedules or riders with the contract rider number and the named lessee set forth in Schedule A to the Loan Agreement insofar as they relate to the covered hopper and tank railcars with the car numbers set forth on Annex A hereto.

Rptg Mark	Car Number	AAR Desg
SHPX	220539	T389
SHPX	220547	T389
SHPX	220548	T389
SHPX	220549	T389
SHPX	220550	T389
SHPX	220551	T389
SHPX	201035	T104
SHPX	201036	T104
SHPX	201037	T104
SHPX	201039	T104
SHPX	201040	T104
SHPX	201041	T104
SHPX	201042	T104
SHPX	201043	T104

14 Cars